

AM Best's Insurance Market Briefing – SIRC

Tuesday, 3 November 2026

Agenda

- Global Re(insurance) Market Outlook
- Northeast Asia Market Outlook
- Southeast Asia Market Outlook

AM BEST

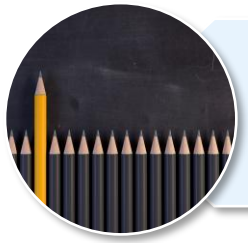
Global (Re)insurance Market Outlook

Greg Carter – Managing Director, Analytics, EMEA & Asia Pacific, AM Best

Tuesday, 3 November 2026

Outlook – Stable
Past Peak, Fundamentally Strong

Global Non-Life Re Outlook Remains Stable – Tailwinds



Despite softening property pricing, operating results remain solid



Property-catastrophe underwriting aided by favorable terms and higher attachment points



Robust nominal and risk-adjusted capital, prudent capital management plans



Elevated interest rates enhancing investment income and earnings

Global Non-Life Re Outlook Remains Stable – Headwinds



Accelerated softening in property reinsurance pricing, with modest loosening of terms and structure



Social inflation driving reserve and pricing concerns in certain US casualty lines

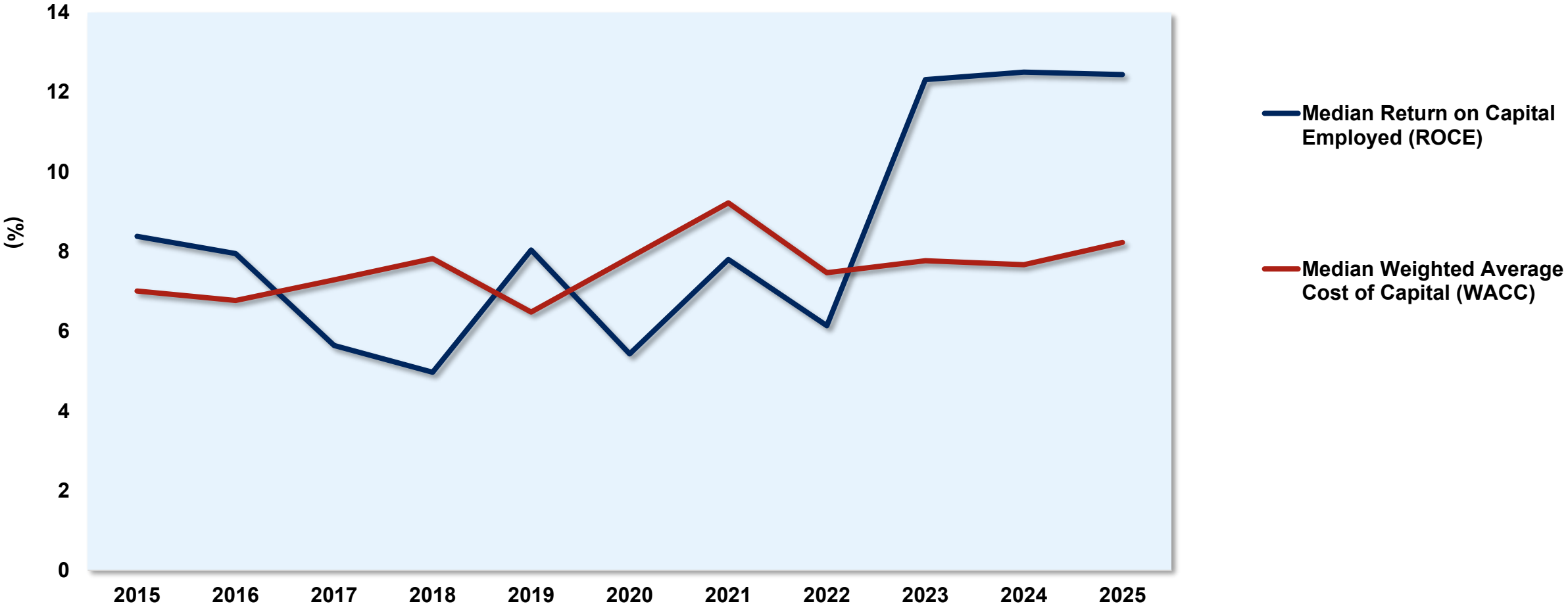


Elevated frequency and severity of weather-related events



Geopolitical and macroeconomic uncertainty – inflation, policy shifts, market volatility

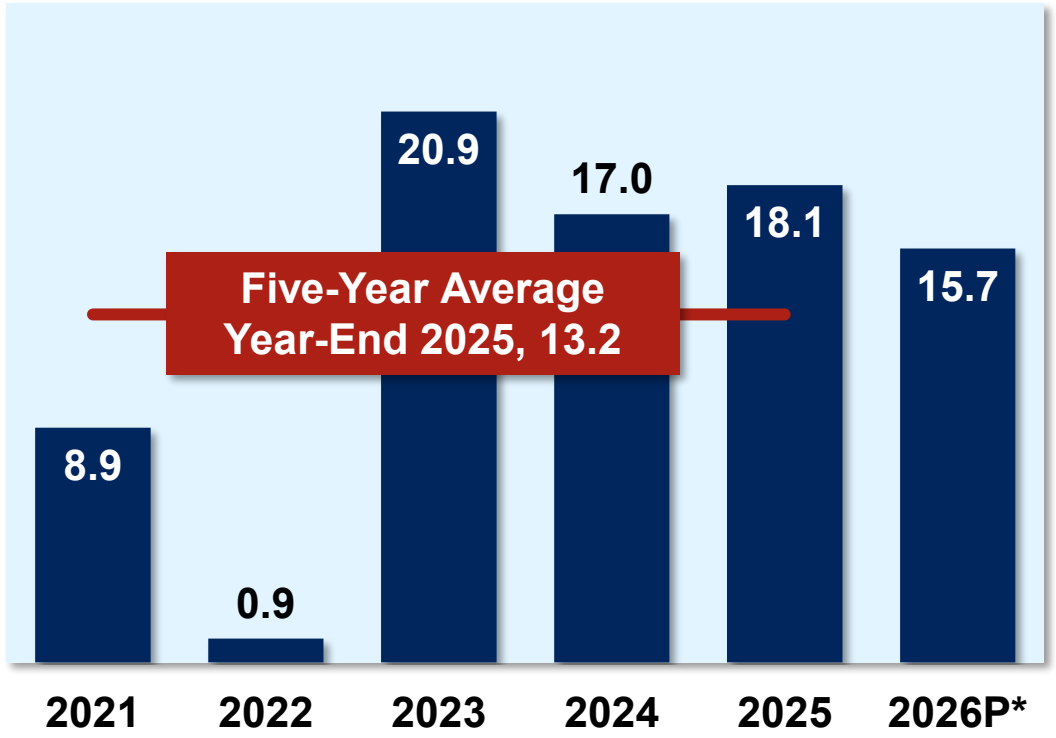
Returns Still Exceeding Cost Of Capital – Sustainable?



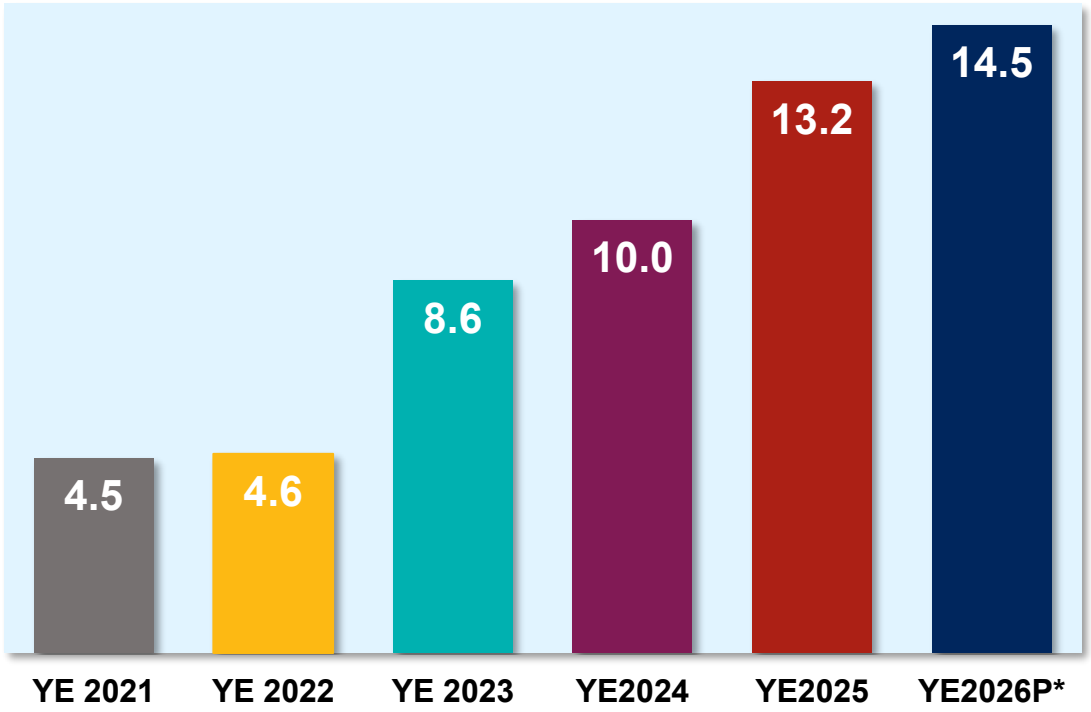
Source: Bloomberg

Dramatically Improved Performance Since Market Turned

Return on Equity (%)

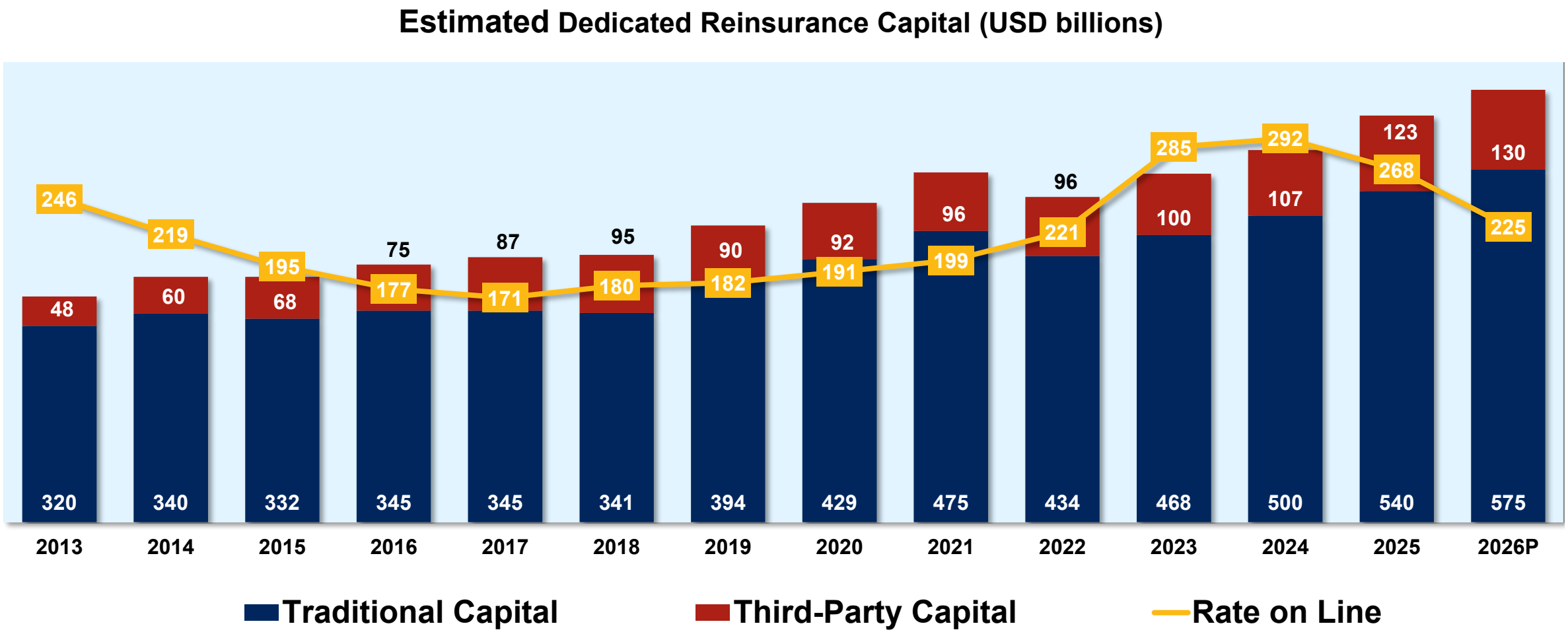


Global Reinsurance Market – Rolling Five-Year Average Return on Equity (%)



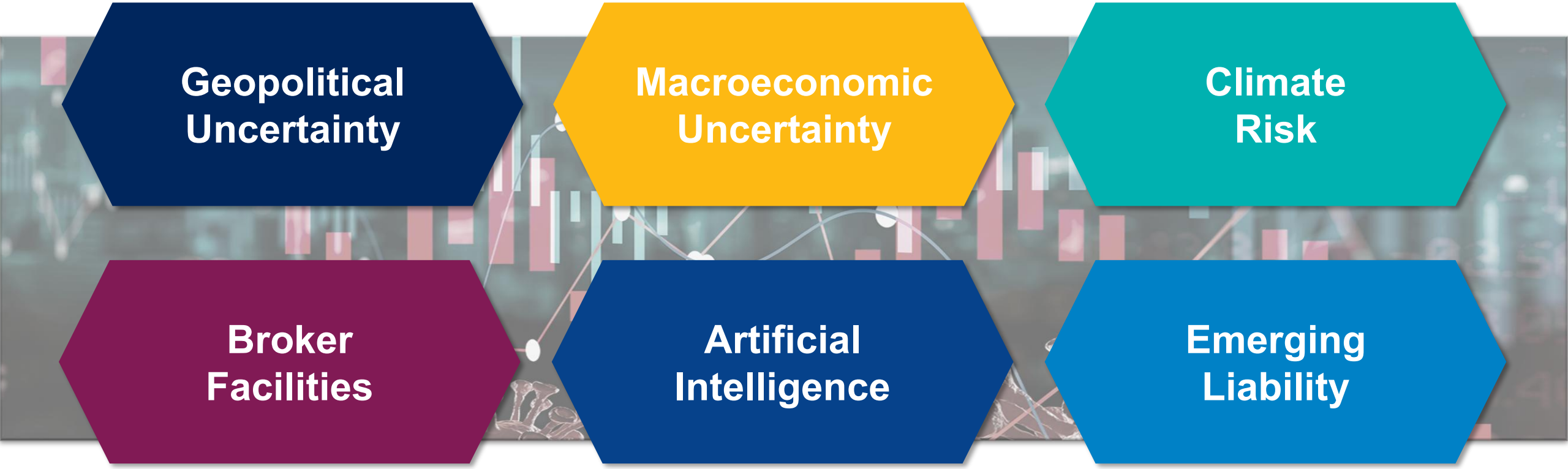
*Projection
Source: AM Best data and research

Dedicated Reinsurance Capital at Record Highs

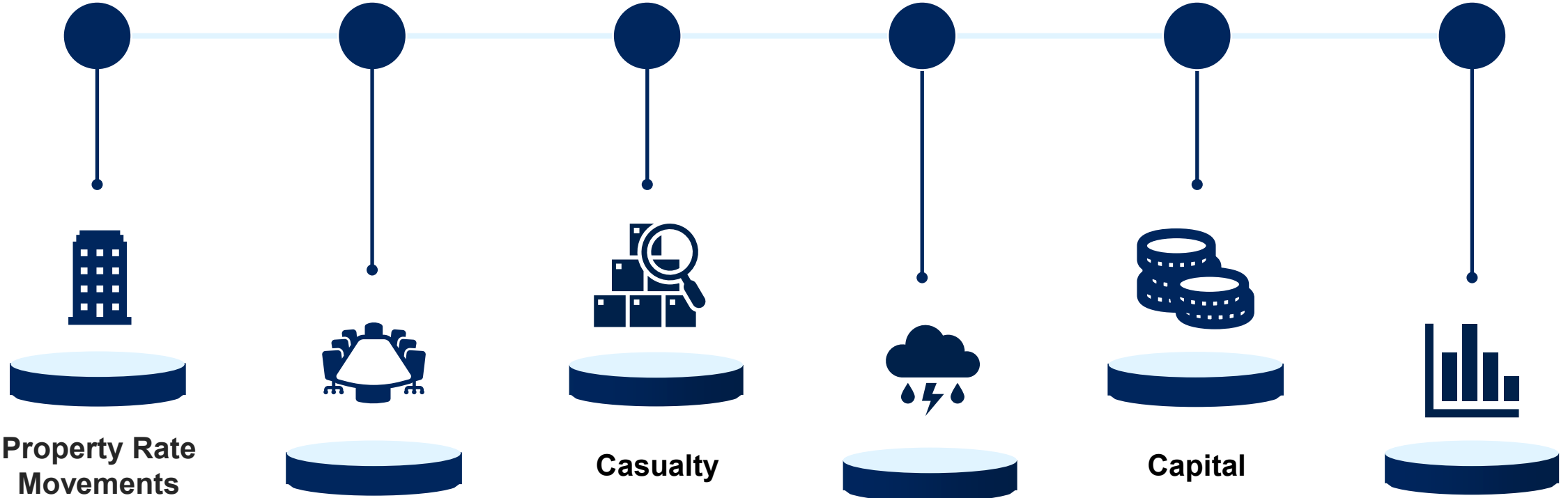


Index: 1990=100.
P: Projected.
Sources: AM Best data and research, Guy Carpenter Global Property Catastrophe Rate-On-Line Index

Key Global Risks Identified by AM Best



AM Best's Expectations – The Next 12 Months



Property Rate Movements

Continued softening off adequate base

Terms & Structure

Broadening but still tighter than pre-2023

Casualty

Rate adequacy unresolved, more strengthening expected

Catastrophe

Normal load assumed, volatility to earnings not capital

Capital

Record levels, disciplined deployment

Operating Results

Solid but moderating

What Could Cause a Negative Outlook?



Rate reductions that push pricing below adequacy



Broad loosening of terms, lower attachments, more aggregate capacity



Adverse development that erodes capital



Weather loss(es) that reveal a structural weakness



Expected ROE at or below cost of capital

AM BEST

Northeast Asia Market Outlook

Christie Lee – Senior Director, Head of Analytics, AM Best

Tuesday, 3 November 2026

Asia Pacific Reinsurance Composite – P/C Trend

Global Reinsurance — Asia-Pacific — P/C Trend Summary (%)

	2022	2023	2024	2025
Insurance Revenue (P/C only)[1]	N/A	11.0	-4.1	4.0
Total Revenue[1]	N/A	14.3	-6.8	5.0
Shareholders' Equity [2]	N/A	20.9	3.8	14.1
Combined Ratio	95.8	92.5	91.4	92.0
Return on Equity	0.0	9.2	11.3	11.0
Return on Revenue	0.0	6.5	9.7	9.8
Insurance Revenue to Equity[2]	99	91	84	76
Net Reserves to Equity[2]	141	127	125	122
Gross Reserves to Equity[2]	191	160	156	150

1 2022 calculations not available due to changeover to IFRS17
2 End of Period
Results based on reported currencies converted to USD

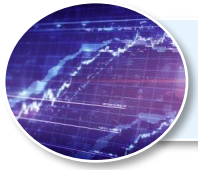
Cedents – Better Cycle Management



Enhanced capital strength and financial flexibility



Ability to partially transfer reinsurance cost increase to policyholders



Global diversification



Group-wide centralized reinsurance negotiation



Strategic acquisitions and partnerships



Diversifying source of capital to ILS

AM BEST

Southeast Asia Market Outlook

Chris Lim – Director, Analytics, AM Best

Tuesday, 3 November 2026

Markets are Softening – but Discipline Remains

More competition

More differentiation

Still disciplined

EARNINGS	Supportive despite higher catastrophe claims
CAPACITY	Abundant across regional markets
COMPETITION	Rising as reinsurers pursue profitable growth – but more differentiated
PORTFOLIO QUALITY	Greater emphasis on risk selection and portfolio quality

Cat Losses Cut Exceptional Profits; Earnings Resilient

OIF UNDERWRITING PROFIT

2024		2025
SGD ~1b	→	**SGD 0.5b**

Profits normalised after catastrophe activity— though earnings resilience remained.

76%

of reinsurers in Singapore reported lower OIF underwriting profits in 2025 versus 2024

Source: Monetary Authority of Singapore insurance statistics | OIF: Offshore Insurance Funds

Structural Drivers of Reinsurance Demand Robust

DRIVERS OF REINSURANCE DEMAND

INFRASTRUCTURE

REGULATION **DATA CENTRES**

ENERGY TRANSITION

NATURAL CATASTROPHES

WHY IT MATTERS

01 More insured value

Greater asset values and protection needs as economies mature.

02 More complex risks

Complex infrastructure projects and climate risks pose greater technical expertise needs.

03 More risk transfer

Reinsurance becomes more important as part of capital management.

Abundant Capacity, Selective Softening

CAPACITY

Abundant capacity – Supported by robust global and domestic appetite, confidence in the region's growth prospects and lower retrocession costs

WHERE RATES EASE

- Clean catastrophe business in several Southeast Asian markets
- Loss-free non-proportional property in India

WHERE DISCIPLINE HOLDS

- Loss-hit and peak-catastrophe exposures
- Concentrated risk exposures, poor data or weak governance

Portfolio Quality will Separate Winners

REWARDED

- Consistent underwriting performance
- Strong risk governance
- High-quality exposure data
- Visible portfolio improvement

SCRUTINISED

- Loss-affected treaties
- Concentrated catastrophe exposure
- Weak accumulation transparency
- Insufficient rate adequacy

PRIMARY SOFTENING → **LESS MARGIN FOR ERROR** → **WIDER DIFFERENTIATION**

As primary pricing softens, high-quality ceded portfolios attract stiff reinsurer competition.

GIFT City is Scaling Capacity – and Competition

RAPID IFSC MARKET BUILD-OUT

IFSC INSURANCE OFFICES (IIOs)

18 → **36**

MAR 2025 → MAR 2026

2× in one year

REINSURANCE PREMIUM

~US$200m → **US$608m**

FY2024–25 → FY2025–26

3× year-on-year

MORE CAPACITY

More reinsurer participation broadens available capacity.

MORE CHOICE

Broader panels give cedents more placement options.

MORE COMPETITION

Capacity providers compete harder for attractive risks.

Source: IFSCA Q4 FY2025–26 Bulletin | IFSC: International Financial Services Centres Authority

Near Term: Stil Attractive, but less Forgiving

MARKET

Supportive but moderating earnings • Ample capacity • Continued rate pressure

CEDENTS

Optimise retentions
Protect earnings stability
Broadly stable structures

REINSURERS

Pursue diversified growth
Discipline around peak-cat exposures
Prioritise quality over volume

WATCH THROUGH 2027

CAT losses • Rate adequacy • Accumulation management • India/GIFT City capacity

Selection, data quality and cycle discipline will be key drivers of profitable growth

Thank You

Disclaimer

Copyright © 2026 by A.M. Best Company, Inc. and/or its affiliates (collectively, "AM Best"). All rights reserved. No part of this report or document may be distributed in any written, electronic, or other form or media, or stored in a database or retrieval system, without the prior written permission of AM BEST. For additional details, refer to our *Terms of Use* available at AM BEST's website: www.ambest.com/terms. All information contained herein was obtained by AM BEST from sources believed by it to be accurate and reliable. Notwithstanding the foregoing, AM BEST does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and all such information is provided on an "as is" and "as available" basis, without any warranties of any kind, either express or implied. Under no circumstances shall AM BEST have any liability to any person or entity for (a) any loss or damage of any kind, in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of AM BEST or any of its directors, officers, employees, or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory, punitive or incidental damages whatsoever (including without limitation, personal injury, pain and suffering, emotional distress, loss of revenue, loss of present or prospective profits, loss of business or anticipated savings, or loss of goodwill) resulting from the use of, or inability to use, any such information, in each case, regardless of (i) whether AM BEST was advised in advance of the possibility of such damages, (ii) whether such damages were foreseeable, and (iii) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based. The credit ratings, performance assessments, financial reporting analysis, projections, and any other observation, position or conclusion constituting part of the information contained herein are, and shall be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor do they individually or collectively address the suitability of any particular financial obligation for a specific purpose or purchaser. Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. Service performance risk is the risk that an entity may not meet its contractual service performance obligations on behalf of its insurance partners. Consequently, neither credit ratings nor performance assessments address any other risk, including but not limited to, liquidity risk, market value risk or price volatility of rated securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR ASSESSMENT OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY AM BEST IN ANY FORM OR MANNER WHATSOEVER. Each credit rating, performance assessment or other opinion must be weighed solely as one factor in any investment or purchasing decision made by or on behalf of any user of the information contained herein. Each such user will, with due care, make its own study and evaluation of each security or other financial obligation, and of each issuer and guarantor of, and each provider of credit support, and an independent view of service provider performance for, each security or other financial obligation that it may consider purchasing, holding, or selling or for each service contract that it may consider entering into. For additional detail on credit ratings or performance assessments, and their respective scales, usage, and limitations, refer to the Guide to Best's Credit Ratings (http://www.ambest.com/ratings/index.html) or the Guide to Best's Performance Assessments (https://www.ambest.com/ratings/assessmentMethodology.html).

US Securities Laws explicitly prohibit the issuance or maintenance of a credit rating where a person involved in the sales or marketing of a product or service of the CRA also participates in determining or monitoring the credit rating, or developing or approving procedures or methodologies used for determining the credit rating.

No part of this presentation amounts to sales / marketing activity and AM Best's Rating Division employees are prohibited from participating in commercial discussions.

Any queries of a commercial nature should be directed to AM Best's Market Development function.